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EXAMINER

GRAHAM, CLEMENT B

ART UNIT

PAPER NUMBER

3628

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Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/751,860	Applicant(s) STARKMAN, HARTLEY C.	
	Examiner Clement B. Graham	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 July 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 and 22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 and 22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08).
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

1. Claims 1-20 and 22 remained pending and claim 21 has been deleted.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set forth in this Office action: (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. The factual inquiries set forth in *Graham v. John Deere Co.*, 148 USPQ 459, that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or unobviousness.

4. Claims 1-20, and 22, are rejected under 35 U.S.C. 103(a) as being unpatentable over Freedman et al (Hereinafter Freedman U.S. Patent 6, 249, 775) in view of Forbes U.S. Patent 6, 249, 217) and Vig U.S. Patent 6, 038, 554.

As per claim 1, 9, Freedman discloses a method for re-marketing collateral securing a group of non-stationary asset-based loans using a computer system configured with a collections model and a re-marketing model, the group of non-stationary asset-based loans included within a distressed loan portfolio said method comprising the steps of:

utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers (note abstract and see column 2 lines 17-43 and column 6 lines 52-56) and analyzing the borrowers payment behavior after initiating the at least one collection strategy:

comparing each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower deeming a number of the loans included within the distressed loan in-a portfolio as uncollectable based on the borrower's payment behavior comparison and computer.(see column 8 lines 9-32).

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Freedman fail to explicitly teach a plurality of collection strategies that may be utilized for collecting payment from the borrowers non-stationary asset based loans include at least one of automobile loans vehicle loans and credit card loans initiating at least one of the plurality of collection strategies with respect to the borrowers, pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It is further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman to include plurality of collection strategies that may be utilized for collecting payment from the borrowers non-stationary asset based loans include at least one of automobile loans vehicle loans and

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credit card loans initiating at least one of the plurality of collection strategies with respect to the borrowers, pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans taught by Forbes in order to provide collateral retrieval and more particularly vehicular collateral in which a transmitter is installed in the vehicle which provides locational data.

Freedman and Forbes fail to explicitly teach re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

Further planning for disposition of the repossessed collateral would have been obvious because a company would have been able to recover the funds that it was owed.

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Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman and Forbes to include re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans taught by Vig in order to provide valuation and asymmetric information in the marketplace by conclusively providing the user the true monetary value of something based on ideal (perfect, optimal, or maximum) information about the probed entity, thus this invention is a highly desirable, beneficial and novel tool both for consumers and providers of goods and services.

As per claim 2, Freedman fail to explicitly teach wherein said step of pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It is further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

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Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman to include pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found taught by Forbes in order to provide collateral retrieval and more particularly vehicular collateral in which a transmitter is installed in the vehicle which provides locational data.

As per claim 3, Freeman, Forbes and Vig fail to explicitly teach further comprising the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory.

However auctioned, redeemed a property and placing the property in inventory are old and well known steps in the art of repossession because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Freeman, Forbes and Vig to include the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

As per claim 4, Freeman, Forbes and Vig fail to explicitly teach further comprising the step of engaging an agency to locate the not found collateral.

However engaging an repossession agency to locate the not found collateral is old and well known in the art because these agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

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Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Forbes and Vig to include the step of engaging a repossession agency to locate the not found collateral because the agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

As per claim 5, Freeman, Forbes and Vig fail to explicitly teach further comprising the step of writing off the not found collateral.

However the step of writing off the not found collateral is old and well known in the art of repossession because an institution would be unable to recover the funds owed by reselling the collateral.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Forbes and Vig fail to include the step of writing off the not found collateral because an institution would be unable to recover the funds owed by reselling the collateral.

As per claims 6-8, Freeman, Forbes fail to teach a system wherein said re-marketing model configured to:
plan for storage of the collateral, and plan for a sale of the collateral.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

Further storing a collateral after it has been repossessed from a buyer would have been obvious because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold.

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Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Freeman, Forbes and Vig to include storage of a collateral because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold.

As per claim 10, Freeman, Forbes fail to teach combining predicted sales proceeds based on the collateral and predicted cash flow of redeemed loans to predict a total cash flow estimate for a particular month.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows(Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

It would have been obvious that information is based on the redeemed loans and the dollar value of those loans an institution would have been able to predict a total cash flow estimate for a particular month.

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Freeman, Forbes and Vig fail to include the step predict a total cash flow estimate for a particular month because the information would have been based on the redeemed loans and the dollar value of those loans an institution.

As per claim 11, 19, Freedman discloses a method for re-marketing collateral securing a group of non-stationary asset-based loans using a computer system configured with a collections model and a re-marketing model, the group of non-stationary asset-based loans included within a distressed loan portfolio said method comprising the steps of:

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utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers (note abstract and see column 2 lines 17-43 and column 6 lines 52-56) and analyzing the borrowers payment behavior after initiating the at least one collection strategy comparing each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower deeming a number of the loans included within the distressed loan in-a portfolio as uncollectable based on the borrower's payment behavior comparison and computer.(see column 8 lines 9-32).

Freedman fail to explicitly teach a plurality of collection strategies that may be utilized for collecting payment from the borrowers non-stationary asset based loans include at least one of automobile loans vehicle loans and credit card loans initiating at least one of the plurality of collection strategies with respect to the borrowers, pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It is further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the

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vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman to include plurality of collection strategies that may be utilized for collecting payment from the borrowers non-stationary asset based loans include at least one of automobile loans vehicle loans and credit card loans initiating at least one of the plurality of collection strategies with respect to the borrowers, pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans taught by Forbes in order to provide collateral retrieval and more particularly vehicular collateral in which a transmitter is installed in the vehicle which provides locational data.

Freedman and Forbes fail to explicitly teach re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and

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style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

Further planning for disposition of the repossessed collateral would have been obvious because a company would have been able to recover the funds that it was owed.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman and Forbes to include re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans taught by Vig in order to provide valuation and asymmetric information in the marketplace by conclusively providing the user the true monetary value of something based on ideal (perfect, optimal, or maximum) information about the probed entity, thus this invention is a highly desirable, beneficial and novel tool both for consumers and providers of goods and services.

As per claim 12, Freedman fail to explicitly teach wherein said step of pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found.

However Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It is further understood that the

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holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation.(see column 3 lines 1-25 and column 4 lines 18-37 and (see column 1 lines 40-45 and column 3 lines 5-20).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teaching of Freeman to include pursuing repossession of collateral for the loans further comprises the step of categorizing the collateral as one of located or not found taught by Forbes in order to provide collateral retrieval and more particularly vehicular collateral in which a transmitter is installed in the vehicle which provides locational data.

As per claim 13, Freeman, Forbes and Vig fail to explicitly teach further comprising the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory.

However auctioned, redeemed a property and placing the property in inventory are old and well known steps in the art of repossession because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Freeman, Forbes and Vig to include the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory because it would have obvious that after redeeming the property whether it is placed in inventory the primary objective of the company would have been to recover money lost on the sale of the property and the sale of the property would have imminent

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and sale of the property at an auction or among the regular inventory would not have restricted the primary objective of selling the property.

As per claim 14, Freeman, Forbes and Vig fail to explicitly teach further comprising the step of engaging an agency to locate the not found collateral. However engaging an repossession agency to locate the not found collateral is old and well known in the art because these agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Freeman, Forbes and Vig to include the step of engaging an repossession agency to locate the not found collateral because the agency are more capable of finding a not found collateral by tracking the user of the collateral and using other strategies in locating a collateral.

As per claim 15, Freeman, Forbes and Vig fail to explicitly teach further comprising the step of writing off the not found collateral. However the step of writing off the not found collateral is old and well known in the art of repossession because an institution would be unable to recover the funds owed by reselling the collateral.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Freeman, Forbes and Vig fail to include the step of writing off the not found collateral because an institution would be unable to recover the funds owed by reselling the collateral.

As per claims 16-18, Freeman, Forbes fail to teach wherein said re-marketing model configured to:
plan for storage of the collateral, and plan for a sale of the collateral.
However Vig discloses discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for

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instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

Further storing a collateral after it has been repossessed from a buyer would have been obvious because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Freeman, Forbes and Vig to include storage of a collateral because the collateral would have had to be stored for safe keeping in order for the planning and determining how the collateral will be sold.

As per claim 20, Freeman, and Forbes fail to teach combining predicted sales proceeds based on the collateral and predicted cash flow of redeemed loans to predict a total cash flow estimate for a particular month.

However Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35) and calculating the value of a used car.(see column 68 lines 15-20).

It would have been obvious that information is based on the redeemed loans and the dollar value of those loans an institution would have been able to predict a total cash flow estimate for a particular month.

Therefore it would have been obvious to one of ordinary skill in the art the time the invention was made to modify the teachings of Freeman, Forbes and Vig fail to include the step predict a total cash flow estimate for a particular month because the

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information would have been based on the redeemed loans and the dollar value of those loans an institution.

As per claim 22, Freeman discloses wherein said network is at least one of a WAN or a LAN.(i. e, network") (see column 18 lines 45-67).

Conclusion

5. Applicant's arguments files on 7/6/05 have been fully considered but are not persuasive for the following reasons.

6. In response to Applicant's arguments as it pertains to Freedman, Forbes and Vig.

7. In response to Applicant's arguments that Freedman, Forbes and Vig fail to teach or suggest" utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers and analyzing the borrowers payment behavior after initiating the at least one collection strategy, comparing each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower deeming a number of the loans included within the distressed loan in-a portfolio as uncollectable based on the borrower's payment behavior comparison and computer, a plurality of collection strategies that may be utilized for collecting payment from the borrowers non-stationary asset based loans include at least one of automobile loans vehicle loans and credit card loans initiating at least one of the plurality of collection strategies with respect to the borrowers, pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets storing each of the assets and selling each of the assets and utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans" the Examiner disagrees with

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Applicant because these limitations are addressed within the prior art in a combinations of teachings as stated.

Freedman discloses utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio the collections model is based on historical payment information of the borrowers note abstract and see column 2 lines 17-43 and column 6 lines 52-56 and analyzing the borrowers payment behavior after initiating the at least one collection strategy, comparing each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower deeming a number of the loans included within the distressed loan in-a portfolio as uncollectable based on the borrower's payment behavior comparison and computer see column 8 lines 9-32.

Forbes discloses a preliminary matter, it is contemplated that a lending institution makes a loan/lease arrangement with a borrower respecting a vehicle. The Vehicle is used as collateral for the loan. Whether the vehicle is purchased, leased or rented, it is understood that the party seeking to secure, confiscate, repossess or otherwise seize the vehicle may be a bank, savings and loan, mortgage company, credit union, vehicle dealership, vehicle manufacturer, leasing agent, collection agency, or any other lending/financial institution and agents thereof. It is further understood that the holder or possessor of the vehicle may be the individual responsible for payment of the vehicle loan/lease and may be referred to as the purchaser, debtor, borrower or lessee for purposes of the present invention, the term vehicle is contemplated to include automobiles, trucks, motor cycles, boats, house boats, airplanes, helicopters, house trailers, mobile homes, recreational vehicles, heavy machinery (such as tractors) and other devices used for transportation. see column 3 lines 1-25 and column 4 lines 18-37 and see column 1 lines 40-45 and column 3 lines 5-20.

Vig discloses one of the important challenges this invention solves is calculating the relative true dollar values of many cars that offer varying attribute levels for every discoverable automobile characteristic, including safety, comfort, reliability and style and the inquirer responding to the relevant quiz series, or more prompts by the computer

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concerning certain facts about a probed used automobile (FIG. 12-23), for instance, the Non-Subjective Valuing.COPYRGT and a computer gives the user the particular selected target automobile's current dollar values on that day, at that hour, in that town, as follows (Note abstract and see column 12 line 20 and column 21 lines 20-35 and calculating the value of a used car. see column 68 lines 15-20.

8. With respect to Applicant's argument, on Obviousness Examiner respectfully submits that obviousness is not determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See *In re Oetiker*, 977F. 2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992); *In re Hedges*, 783F.2d 1038, 1039, 228 USPQ* 685, 686 (Fed. Cir.1992); *In re Piaseckii*, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir.1984); *In re Rinehart*, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Using this standard, the Examiner respectfully submits that he has at least satisfied the burden of presenting a prima facie case of obviousness, since he has presented evidence of corresponding claim elements in the prior art and has expressly articulated the combinations and the motivations for combinations that fairly suggest Applicant's claimed invention. Note, for example, in the instant case, the Examiner respectfully notes that each and every motivation to combine the applied references are accompanied by select portions of the respective reference(s) which specially support that particular motivation and /or an explanation based on the logic and scientific reasoning of one ordinarily skilled in the art at the time of the invention that support a holding of obviousness. As such, it is not seen that the Examiner's combination of references is unsupported by the applied prior art of record. Rather, it is respectfully submitted that explanation based on the logic and scientific reasoning of one of ordinarily skilled in the art at the time of the invention that support a holding of obviousness has been adequately provided by the motivations and reasons indicated by the Examiner, *Ex pane Levengood*, 28 USPQ2d 1300(Bd. Pat. App &.,4/293 Therefore the combination of reference is proper and the rejection is maintained.

9. Applicant also maintains that Freeman, Forbes and Vig cannot be combined, the Examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references

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themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992).

The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be expressly or impliedly contained in the prior art or it may be reasoned from knowledge generally available to one of ordinary skill in the art, established scientific principles, or legal precedent established by prior case law. *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). See also *In re Eli Lilli & Co.*, 902 F.2d 943, 14 USPQ2d 1741 (Fed. Cir. 1990) (discussion of reliance on legal precedent); *In re Nilssen*, 851 F.2d 1401, 7 USPQ2d 1500 (Fed. Cir. 1988) (references do not have to explicitly suggest combining teachings); *Ex parte Clapp*, 227 USPQ 972 (Bd. Pat. App. & Inter.); and *Es parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993) (reliance on logic and sound scientific reasoning).

Also in reference to *Ex parte Levengood*, 28 USPQ2d, 1301, the court stated that

"Obviousness is a legal conclusion, the determination of which is a question of patent law. Motivation for combining the teachings of the various references need not to explicitly found in the reference themselves, *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981). Indeed, the Examiner may provide an explanation based on logic and sound scientific reasoning that will support a holding of obviousness. *In re Soli*, 317 F.2d 941 137 USPQ 797 (CCPA 1963)."

10. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

11. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.


12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

September 28, 2005


FRANKY P. GIVIL
PRIMARY EXAMINER
Au 3628